

International Issues A Deeper Dive

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Who Must File?

- All US citizens and resident aliens (Green Card Holders) file Form 1040
- Nonresident aliens file Form 1040NR

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What Income Must Be Reported?

- US Citizens and Resident Aliens:
Must report worldwide income
from all sources
- Nonresident Aliens:
Must report US source income

Sourcing of Income

- Salaries, Wages, Personal Services:
Where services performed
- Interest: Residence of payer
- Dividends: Whether US or foreign corp.
- Rents: Location of property
- Pensions: Where earned
- Sale of Real Property: Location of property

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What about Social Security?

Totalization Agreements:

- Eliminate dual Social Security taxation
- Protect benefits for workers who have divided their careers between the US and another country
- For more details:

www.socialsecurity.gov/international

What about Social Security?

Self-Employment Tax:

- Nonresident Aliens – NO
- US Citizens & Resident Aliens –YES
- Residents of US Possessions - YES

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Avoiding Double Taxation

US Citizens and Resident Aliens:

- Foreign Earned Income Exclusion (Form 2555)
- Foreign Tax Credit (Form 1116)
- Tax Treaties

Nonresident Aliens:

- Tax Treaties

Tax Treaties

- U. S. Tax treaties contain a “Savings Clause”; allows U.S. to tax its citizens and residents as if the treaty does not exist
- Nonresident Aliens file:
 - Form W-8 Ben
 - Form 8233
 - Form 8833

Sailing Permits

Nonresident Aliens:

Pay before you leave....

- Form 1040-C
- Form 2063



International Forms

- TDF 90-22.1 – Report of Foreign Bank and Financial Accounts
- 3520 – Annual Return to Report Transactions With Foreign Trusts/ Receipt of Certain Foreign Gifts
- 3520-A – Annual Return of Foreign Trust with a US Owner

International Forms

- 5471 – Information Return of US Persons With Respect to Certain Foreign Corporations
- 5472 – Information Return of a Foreign Owned Corporation
- 8898 – Statement for Individuals Who Begin or End Bona Fide Residence in a US Possession

Need Help?

- Call International Customer Service at (215) 516-2000 (not toll free)

Mon.–Fri. 6:00 a.m.–11:00 p.m. EST

- Check www.irs.gov

Helpful publications:

54, 514, 519, 901, 4588